

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR)	CASE NO. IPC-E-04-26
AUTHORITY TO IMPLEMENT AN)	
IRRIGATION PEAK CLIPPING PROGRAM.)	ORDER NO. 29665
)	

On November 1, 2004, Idaho Power Company filed an Application requesting authority to implement an Irrigation Peak Clipping Program to be effective next year. The Commission previously approved a pilot clipping program for the 2004 irrigation season. The Company in its recent Application provides information about the pilot program, which the Company believes was successful in decreasing the Company's system summer peak demand. On November 30, 2004, the Commission issued a Notice of Application and Notice of Modified Procedure to process Idaho Power's Application. Written comments were filed by the Commission Staff and by the Idaho Irrigation Pumpers Association.

In its comments, the Staff reviewed the success of the pilot program and the changes to the program the Company proposes to implement statewide for 2005. As proposed, the program would operate during the months of June, July and August. The Company on one, two or three regularly scheduled weekdays would be authorized to interrupt a customer's power supply between 4:00 p.m. and 8:00 p.m. Customers who participate will receive a demand credit each month they successfully participate in the program.

Under the pilot program, participants were paid \$1.75 per kW as a demand credit. Under the program as proposed, the demand credit would increase to \$2.01 per kW of demand for one day of interruption, \$2.51 per kW for two days, and \$2.76 per kW for three days per week of participation. In addition, the Company proposed to lower the minimum size of metered service point to be eligible to participate. The pilot program required the customer to have a pump at least 150 horsepower to participate; under the new proposal, the size is reduced to 100 horsepower. Staff stated it believes the Company's changes are improvements to the program, but recommended the Company continue to explore the possibility of additional flexibility in the program. Staff recommended the Commission approve implementation of the program as proposed by Idaho Power, but also recommended the Company file a report on the program results no later than December 1, 2005.

In its comments, the Idaho Irrigation Pumpers Association also supported implementation of the Company's Peak Clipping Program. The Irrigators believe the Company should continue to monitor the program and provide additional information on specific issues. For example, the Irrigators question why the schedule of interruptibility is limited to four hours per day on one, two or three days per week during only the months of June, July and August. In addition, the Irrigators question how the demand credit was determined and the number and type of irrigation customers eligible for the program. The Irrigators also encourage Idaho Power to consider ways to provide more flexible options, which would encourage greater participation in the program. The Irrigators concluded by stating they "highly favor" system-wide implementation of an Irrigation Peak Clipping Program for the upcoming irrigation system. The Irrigators, however, believe the program should be less rigid and provide greater flexibility and choice in the number of hours available for interruption and the number of days available to participate each week. Thus, the Irrigators recommended approval of the program, but encouraged Idaho Power to continue review of the program and consideration of more options for participants.

In reply comments, Idaho Power stated it agrees with the recommendation of the Staff that the Company file a report on the results of the system-wide program by December 1, 2005. The Company also stated its agreement with the recommendations made by Staff and the Irrigators to continue to evaluate the potential for more program flexibility and further increases in the demand credit.

Based on the record in this case, the Commission will approve the Irrigation Peak Clipping Program as proposed by Idaho Power, and also require the Company file a report on the program no later than December 1, 2005. It is clear from the pilot program that the Irrigation Peak Clipping Program will achieve its primary objective; that is, a reduction in Idaho Power's system summer peak demand. The Commission also supports continued review of the program by the Company and interested parties to add more options and flexibility for program participants. In reply comments, Idaho Power committed to "continue to evaluate the potential for more program flexibility and further increases in the demand credit." The report to be filed by the Company should address those issues and, even before the report is prepared, the Company should continue to share program information with Staff and the Irrigators as it is implemented next year.


ORDER

IT IS HEREBY ORDERED that the Irrigation Peak Clipping Program as proposed by Idaho Power is approved.

IT IS FURTHER ORDERED that Idaho Power file a report with the Commission no later than December 1, 2005, detailing the results of the program during 2005.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

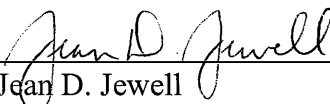
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 22nd day of December 2004.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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